

Message Text

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ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 FEA-01 CIAE-00 DODE-00 NSAE-00
NSCE-00 SSO-00 USIE-00 INRE-00 NSC-05 ERDA-05 AID-05
CEA-01 CIEP-01 COME-00 FPC-01 H-01 INR-07 INT-05 L-03
OMB-01 PM-04 OES-06 SP-02 SS-15 STR-04 TRSE-00
ACDA-07 /095 W

-----312113Z 127532 /72-62

O 311951Z JAN 77

FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC IMMEDIATE 2290

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PASS WHITE HOUSE/SCHLESINGER, FEA, AND FPC

E.O. 11652: N/A

TAGS: ENRG, CA

SUBJ: ENERGY: CANADIAN ASSISTANCE TO MEET ENERGY
SHORTAGES

REF: OTTAWA 365

1. SUMMARY: NEB CHAIRMAN MARSHALL CROWE HAS ADVISED ME THAT HE HAS GIVEN INSTRUCTIONS TO MOVE AS MUCH NATURAL GAS AS POSSIBLE ACROSS BORDER INTO COLUMBIA SYSTEM. DAILY AVERAGE IS JUST UNDER 400 MILLION CUBIC FEET AT PRESENT AND HE IS INVESTIGATING POSSIBILITY OF MOVING THIS UP TOWARD 500 MILLION CUBIC FEET. ONTARIO HYDRO HAS INCREASED ELECTRICITY EXPORTS TO DETROIT AND NEW YORK STATE, PARTLY ON BASIS PRODUCTION FROM GAS-FIRED PLANT. AFTER CROWE CLARIFIES FACTS OF SITUATION HE MAY RPT MAY ASK USG TO EXPRESS PREFERENCE BETWEEN GAS AND ELECTRICITY. END SUMMARY.

2. CROWE TELEPHONED ME THIS NOON TO BRING ME UP-TO-
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DATE ON NEB ACTIONS RESPONSIVE TO EMERGENCY ENERGY PROBLEM IN U.S. HE SAID NEB HAD AUTHORIZED EXPORT OF 15 BILLION CUBIC FEET OF NATURAL GAS TO COLUMBIA SYSTEM OVER 60-DAY PERIOD OR AVERAGE OF 250 MILLION CUBIC FEET PER DAY. IN FACT, EXPORTS HAVE BEEN RUNNING AT JUST UNDER 400 MILLION CUBIC FEET PER DAY. DURING FIRST 13 DAYS 5.172 BILLION CUBIC FEET, OR

MORE THAN ONE-THIRD OF TOTAL AUTHORIZATION HAS BEEN EXPORTED. CROWE SAID AT THIS RATE 15 BILLION CUBIC FEET TOTAL WILL OBVIOUSLY BE EXHAUSTED BEFORE END OF 60 DAY PERIOD. HE HAS INSTRUCTED TRANS CANADA TO KEEP PUMPING GAS WITHOUT LET-UP IF NECESSARY NEB WILL ENLARGE TOTAL AUTHORIZATION. CROWE SAID, WITH ONE CAVEAT MENTIONED IN PARA 3 BELOW, HE SAW NO REASON WHY FLOW COULD NOT BE MAINTAINED AT CURRENT RATE. HEADED THAT TRANS CANADA IS MEETING WITH ONTARIO DISTRIBUTORS IN TORONTO TODAY TO EXPLORE POSSIBILITY OF SCRAPING UP ADDITIONAL GAS FROM INTERRUPTIBLE SUPPLIES. SOME GAS GOES ACROSS THE BORDER AND COMES BACK. PERHAPS UP TO AN ADDITIONAL 100 MILLION CUBIC FEET PER DAY COULD BE LEFT IN U.S. SYSTEMS. CROWE EMPHASIZED THAT THIS WAS A HOPE ONLY AND WE SHOULD NOT BANK ON IT UNTIL BETTER INFORMATION IS AVAILABLE.

3. CROWE SAID ONTARIO HYDRO HAS STEPPED UP ITS EXPORTS OF ELECTRICITY THROUGH ITS DROIT AND NEW YORK STATE INTER-CONNECTIONS. IN ORDER TO MAINTAIN THIS FLOW IT IS APPARENTLY INCREASING ITS INTAKE OF NATURAL GAS TO ITS GAS-FIRED RICHARD HEARN PLANT IN TORONTO. THIS IS EVIDENCED BY FACT THAT CONSUMERS GAS CONTRIBUTION TO TOTAL EXPORTS TO COLUMBIA HAS DROPPED FROM ABOUT 300 MILLION CUBIC FEET PER DAY TO ZERO OR CLOSE TO IT IN PAST FIVE DAYS AND UNION GAS HAS BECOME MAIN SUPPLIER TO COLUMBIA. TOTAL EXPORT MIGHT HAVE BEEN HIGHER IF COLUMBIA HAD NOT CUT BACK. CROWE SAID HE IS LIMITED OFFICIAL USE

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ATTEMPTING TO CLARIFY SITUATION. IF FACTS WARRANT IT, HE WILL ASK US TO EXPRESS PREFERENCE BETWEEN CONTINUING TO RECEIVE THIS ADDITIONAL ELECTRICITY FROM ONTARIO HYDRO OR MORE NATURAL GAS. CROWE ASKED THAT I LEAVE MATTER IN HIS HANDS AND SAID HE WOULD TRY TO CALL ME LATER IN AFTERNOON.

4. CROWE SAID HE DID NOT THINK IT WOULD BE POSSIBLE TO STEP UP EXPORTS AT OTHER POINTS ALONG BORDER AND INDICATED THAT DUNHAM/FPC HAD SUGGESTED PLACING MAXIMUM EMPHASIS ON KEEPING UP FLOW UNDER EXPORT LICENSE TO COLUMBIA. HE NOTED THERE WERE OCCASIONAL EXCEPTIONS SUCH AS LNG EXPORT FROM MONTREAL TO PENNSYLVANIA MENTIONED PARA 3B REFTL. HE ALSO NOTED THAT ALBERTA AND SOUTHERN HAD BEEN UNABLE TO SUPPLY ITS FULL COMMITMENT TO PACIFIC GAS TRANSMISSION BECAUSE OF TECHNICAL PROBLEMS IN PGT SYSTEM AND NEB HAD IMMEDIATELY AUTHORIZED EXPORT OF 50 MILLION CUBIC FEET PER DAY THROUGH WEST COAST TRANSMISSION TO NORTHWEST PIPELINE

CORPORATIONV THIS GAS HELPED SITUATION IN EAST THROUGH
DISPLACEMENT. NEB WILL CONTINUE TO ACT PROMPTLY IN
SUCH CASES.

5. CROWE SAID NEB HAD RECEIVE NO EMERGENCY REQUESTS
FOR PROPANE AND WAS NOT SURE HOW MUCH WAS AVAILABLE.
I TOLD HIM THAT WHILE NATURAL GAS HAS TOP PRIORITY I
UNDERSTOOD U.S. COULD ALSO USE PROPANE. I SAID THAT
IF HE COULD LET ME KNOW WHAT WAS AVAILABLE WHERE, WE
WOULD TRY TO SWITCH IT TO NEEDS. CROWE PROMISED TO
LOOK INTO THIS.

6. CROWE SAID HE WOULD SEND ME FULL LIST OF RECENT
NEB ACTIONS APPROVING EXPORTS OF ENERGY TO U.S.
EMBASSY WILL REPORT LIST SEPARATELY.

7. I WILL CONTACT DEPARTMENT IMMEDIATELY WHEN AND IF
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CROWE ASKS FOR STATEMENT OF PREFERENCE BETWEEN
ELECTRICITY AND NATURAL GAS.
ENDERS

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
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Control Number: n/a
Copy: SINGLE
Sent Date: 31-Jan-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
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ISecure: 1
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Litigation History:
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